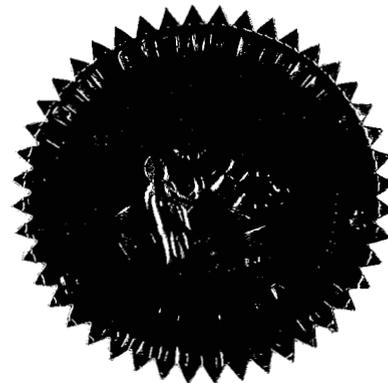


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 040763-TP

In the Matter of:

REQUEST FOR SUBMISSION OF PROPOSALS
FOR RELAY SERVICE, BEGINNING IN
JUNE 2005, FOR THE HEARINGS AND SPEECH
IMPAIRED, AND OTHER IMPLEMENTATION
MATTERS IN COMPLIANCE WITH THE FLORIDA
TELECOMMUNICATIONS ACCESS SYSTEM ACT
OF 1991.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 3

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER J. TERRY DEASON
COMMISSIONER ISILIO ARRIAGA
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. TEW

DATE: Tuesday, May 2, 2006

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE

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1 PARTICIPATING:

2 NORMAN H. HORTON, ESQUIRE, and JAMES FORSTALL,
3 representing FTRI.

4 LEE ENG TAN, ESQUIRE, and RICK MOSES, representing
5 the Florida Public Service Commission Staff.

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P R O C E E D I N G S

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CHAIRMAN EDGAR: We will begin with Item 3.

MR. MOSES: Rick Moses with Commission staff.

Item 3 is FTRI's request for the budget for the Relay system for the upcoming fiscal year. Also in there is the issue that is addressing a speech generating device which is similar to an electrolarynx device. And the Commission staff is here to answer any questions you may have.

CHAIRMAN EDGAR: Thank you, Mr. Moses.

MR. HORTON: Madam Chairman, Doc Horton on behalf of Florida Telecommunications Relay. And also with me is Mr. James Forstall, who is the Executive Director. We concur with the staff recommendation.

CHAIRMAN EDGAR: Thank you.

Commissioners, are there questions for staff or for Mr. Horton? Commissioner Deason.

COMMISSIONER DEASON: I have a question for staff. I understand the recommendation is to maintain the current surcharge at 15 cents, and part of that motivation is in anticipation of the potential for some additional requirements that may be imposed by the FCC. Could you expand upon that, please?

MR. MOSES: Certainly.

Tom Chandler of the FCC was present at a meeting that I attended that is part of the Sprint Relay System last year.

1 At that meeting, he indicated that it really wasn't a question
2 of if they were going to mandate Video Relay and also the
3 Internet Relay to the states, it was just a matter of when it
4 would be and how they would allocate the percentage factor.
5 That he wasn't sure at that time.

6 So far they have not done so. The Commission here
7 has filed comments in regard to those services urging them to
8 continue to fund it from the interstate fund, but it appears
9 that they are going to mandate at some point in time that the
10 states pick up part of that service.

11 COMMISSIONER DEASON: Madam Chairman, may I continue?

12 CHAIRMAN EDGAR: Commissioner Deason, please.

13 COMMISSIONER DEASON: When you say part of that
14 service, I know that we don't know for sure, but you anticipate
15 that the intrastate share would be something in the order of 80
16 to 90 percent, is that true?

17 MR. MOSES: Yes, sir, and that's using the figures
18 that we use on a regular Relay service, how it has been
19 allocated. We are assuming they will use the same type of
20 allocation, but it is purely a guess on our part at this time.

21 COMMISSIONER DEASON: And the cost associated with
22 the Video Relay and the IP Relay are such that the budget could
23 conceivably exceed \$30 million after those services are
24 deployed and Florida's share would be somewhere in the
25 neighborhood of 80 to 90 percent of those costs?

1 MR. MOSES: That's correct.

2 COMMISSIONER DEASON: And you have indicated that if
3 the budget has to go to that level, that the current 25-cent
4 surcharge cap may be in jeopardy, is that true?

5 MR. MOSES: Yes, sir, because it currently only
6 applies to wireline access lines, which are declining.

7 COMMISSIONER DEASON: It would necessitate a
8 statutory change if we were to adequately fund the Video Relay
9 and the IP Relay?

10 MR. MOSES: Yes, sir. In order to apply that
11 surcharge to anything other than wirelines, it would take a
12 modification to Chapter 427 of the Florida Statutes.

13 COMMISSIONER DEASON: So currently the surcharge is
14 limited to wireline and it would take a statutory change to
15 impose it on other than wireline services?

16 MR. MOSES: That's correct.

17 COMMISSIONER DEASON: And it would take a statutory
18 change to increase the cap above 25 cents?

19 MR. MOSES: Right. And also in that cap is it is
20 limited to 25 lines per account. So if you have a business
21 that has, say, 50 lines, you are only going to pay on the first
22 25, so that limits it also.

23 COMMISSIONER DEASON: Okay. I guess the -- I know
24 that we've filed comments with the FCC, but this appears to be
25 a situation where the federal government imposing costs on the

1 states, but there is not -- and those costs would have to be
2 funded somewhere in the neighborhood of 80 to 90 percent by
3 state funding. Have our attorneys looked at it? Is this
4 something that they have the legal requirement, the ability to
5 do is to impose costs without funding those?

6 MR. MOSES: Well, the Relay system is kind of unique
7 in that it is certified by the FCC. In other words, we're
8 operating a system under their guidance. There are certain
9 standards, such as service standards and everything that they
10 set the minimums. We can be more strict, but we have to go and
11 set the minimums and we have to provide the services mandated
12 by the FCC.

13 All of this is under the ADA Act. And they have --
14 throughout the entire history of the Relay system, they have
15 mandated the services that would be provided. So I'll leave it
16 up to the attorneys to address the authority, but I believe
17 they can do it.

18 COMMISSIONER DEASON: It has never been questioned
19 before?

20 MR. MOSES: No, sir.

21 COMMISSIONER DEASON: I have a question for Mr.
22 Horton.

23 Mr. Horton, I'm looking at Attachment A to staff's
24 recommendation, and this is a side-by-side comparison of the
25 budget information.

1 MR. HORTON: Yes, sir.

2 COMMISSIONER DEASON: I'm looking at Line 44. There
3 seems to be a fairly substantial increase over last year's
4 budget and the proposed budget. Is there some additional
5 initiative that's being taken on that requires this, or what is
6 the situation surrounding this?

7 MR. HORTON: Could I ask Mr. Forstall to address
8 that?

9 MR. FORSTALL: The reason for the increase with the
10 budget for overtime, to allow us to work on some projects in
11 the office to rectify some errors with our database.

12 COMMISSIONER DEASON: So this is -- overtime is being
13 required to undertake this initiative? Is it a one-year thing,
14 or is this going to be a recurring additional overtime?

15 MR. FORSTALL: At this time it is just for one year.

16 COMMISSIONER DEASON: Thank you, Madam Chair. That's
17 all the questions that I have.

18 CHAIRMAN EDGAR: Thank you.

19 Commissioners, further questions, comments?

20 Commissioner Arriaga, any questions?

21 COMMISSIONER ARRIAGA: Thank you, Madam Chair. No
22 questions at this time.

23 CHAIRMAN EDGAR: Thank you.

24 COMMISSIONER DEASON: Madam Chairman, I'm prepared to
25 make a motion.

1 CHAIRMAN EDGAR: Commissioner Deason, you're
2 recognized.

3 COMMISSIONER DEASON: I agree with staff's
4 recommendation that the surcharge needs to be maintained at the
5 current level in anticipation of additional requirements that
6 appear are going to have to be funded by the state, and so I
7 think it is a prudent move at this point to continue that
8 surcharge level in anticipation of that. It also seems to me
9 that we may, and I'm sure probably Doctor Bane has probably
10 already initiated this, but at some point we need to start
11 thinking about how we're going to communicate this to the
12 legislature and work with them in terms of trying to anticipate
13 additional funding requirements. I know that goes beyond this
14 recommendation, but obviously it's something that we need to
15 consider at this point, or at least be planning for the
16 contingency in the future. So with that, I can move staff's
17 recommendation.

18 COMMISSIONER CARTER: Second.

19 CHAIRMAN EDGAR: And, Commissioner Deason, for
20 clarification, your motion includes all three issues that are
21 part of this?

22 COMMISSIONER DEASON: All three issues, that's
23 correct.

24 CHAIRMAN EDGAR: Thank you. Is there any further
25 discussion?

1 Okay. There is a motion and a second on Item 3. All
2 in favor say aye.

3 (Unanimous affirmative vote.)

4 CHAIRMAN EDGAR: Opposed?

5 Please show Item 3 adopted.

6 Thank you.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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5 I, JANE FAUROT, RPR, Chief, Office of Hearing
6 Reporter Services, FPSC Division of Commission Clerk and
7 Administrative Services, do hereby certify that the foregoing
8 proceeding was heard at the time and place herein stated.

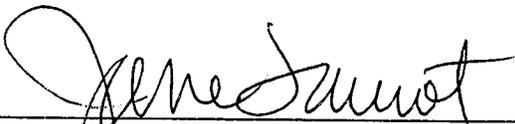
9 IT IS FURTHER CERTIFIED that I stenographically
10 reported the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript constitutes a true transcription of my notes of said
13 proceedings.

14 I FURTHER CERTIFY that I am not a relative, employee,
15 attorney or counsel of any of the parties, nor am I a relative
16 or employee of any of the parties' attorney or counsel
17 connected with the action, nor am I financially interested in
18 the action.

19 DATED THIS 8th day of May, 2006.

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JANE FAUROT, RPR
Official FPSC Hearings Reporter
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

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